

ID: CCA\_2010082715583366

Number: **201039028**

Release Date: 10/1/2010

Office:

UILC: 6707A.00-00, 6662A.00-00

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**From:**

**Sent:** Friday, August 27, 2010 3:58:36 PM

**To:**

**Cc:**

**Subject:** RE: Update regarding 6707A Penalty Application

Sorry for the delayed response. \_\_\_\_\_ has looked into your questions regarding the application of section 6707A and 6662A to the facts you presented. Based on those facts, we agree that the current position is that the 6707A penalty is not a joint and several liability of the husband and wife unless both spouses engaged/participated in the reportable transaction. Under the facts presented, the 6707A penalty would be assessed against the deceased husband's estate. This would be consistent with the treatment of other similar penalties assessed against a deceased taxpayer. For example, penalties under section 6700/6701 have been assessed against a deceased promoter's estate. See Reiserer v U.S., 479 F.3d 1160 (2007). The section 6662A addition to tax is a joint and several liability (like the tax liability reported on the return and any additional tax, penalties, additions to tax, and interest) of the deceased husband and spouse. It applies to any understatement with respect to a reportable transaction and is not limited to the deceased husband.

If you have any further questions on this matter, please feel free to contact me.

Thanks.